

CIA HISTORICAL REVIEW PROGRAM
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DISPATCH NO. HUL-A-1000

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CLASSIFICATION

TO FBSUCCESS Headquarters
FROM LINCOLN

DATE 15 June 1954

INFO: Guatemala

SUBJECT { GENERAL K-Program
SPECIFIC Plant of a Newspaper Story on High Command Rift

1. The attached draft of a newspaper story is designed to widen the existing rift within the Army High Command, building up SANCHEZ at the expense of his chief rival and enemy Colonel DIAZ. It furthermore is meant to serve as conveying to SANCHEZ a message which is self-explanatory. In line with [] ideas on the subject, we propose to go along with his supposition that SANCHEZ may be controllable once it has been brought home to him that ARBENZ' cause is lost. In fact, it may be possible to develop through him a control relationship over important elements of the top echelon of the Army who are believed to be hostile toward CALLIGERIS, but who can be expected to do SANCHEZ' bidding. Certain prerequisites will have to be fulfilled before SANCHEZ will see the light. This aspect has been fully covered in recent [] progress reports.

2. May we request that the attached story, in substance, be planted with a newspaper whose coverage of the Latin American scene commands sufficient attention to guarantee that its contents will become known to the persons to whom it is actually addressed. At random, we should like to suggest the following newspapers: [] the last two, Mexican newspapers. Either [] or [] has a Washington correspondent named [] who is widely read in Central America. According to ROLENDER, he could be prevailed upon to print the story as given to him. []

WDP/GLP/eaf
15 June 1954

WILLIAM D. PLAYDON

Attachment
Distribution

- 2 - Washington
- 2 - Guatemala
- 3 - LINCOLN

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Addendum to
HUL-A-1000
15 June 1954

Since signing the foregoing, the following thoughts have occurred to me.

A. I would suggest any such help as you can get from the Acting Chief and Deputy Chief of KUBARK staff as well as the press group working with that staff. As you may know, they have developed pretty extensive connections with the press in this country and can also make use of the facilities of John BEGG's office in USIA. It would not hurt to mention BEGG specifically to them.

B. The attached proposed news article is a meaty one and would have, we believe, a very useful effect if published. Consequently please push for the earliest possible publication and, if successful, let LINCOLN know by cable where, when and how published. We can then pick it up for further distribution through such media as SHERWOOD.

C. Please do everything possible to have it used in its present form since it was prepared carefully for certain planned effects which could easily be lost if changed by someone not fully aware of the background.

[]
W.D.P.

WDP/gfb
15 June 1954

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Although it would be difficult to sustain a forecast of events of a startling nature, a pall of foreboding and fear hangs over this country and invests the higher reaches of the Government. For the first time since President Arbenz took office, the Guatemalan Army High Command seems to be taking a more active interest in developments liable to affect Guatemala's military and international posture; refusing to accept the Government's optimistic estimates of the situation at face value, it tries, with all the customary precautions enforced by the vigilance of a ubiquitous and ruthless communist-controlled police system, to elicit authoritative American views on the nature and extent of remedial action considered indispensable in order to break the communist stranglehold on Guatemala.

Your correspondent has learned from usually well-informed sources that Army officers about whose abiding loyalty to President Arbenz there can be no doubt, are profoundly shocked at realizing the full extent to which the Arbenz regime has alienated Guatemala's closest and most powerful friend, the United States of America. They conclude that the United States is firmly resolved to protect her national security by meeting head-on the communist challenge presented by Arbenz and his regime, even if this should entail a temporary shelving of good neighbor policy. An added shock has been provided by the conspicuous failure of the Guatemalan Government's transparent efforts to gain a breathing spell by lulling her neighbors and the United States into a false sense of complacency.

It can be stated as a fact that the Army High Command, casting about for an expedient to stave off national disaster, has found the time-honored escape hatch of a palace coup temporarily blocked. President Arbenz' choice as

Guatemala's next President is the Chief of the Armed Forces, Colonel Diaz. He is generally considered an obedient tool of the Communist Party of Guatemala. Not only would he be clearly unacceptable to Guatemala's neighbors and to the United States, but—in words of a ranking Guatemalan field commander and close personal friend of President Arbenz—his choice would by the majority of the Guatemalan officers' corps be considered "an affront to the national dignity of Guatemala."

Another aspirant for the Presidency, who no longer enjoys President Arbenz' backing, is the Minister of National Defense, Colonel Sanchez. He is not pro-communist and has a strong following among some of the best elements of Guatemala's officers' corps. Thus far he has failed to provide the kind of forceful and constructive leadership which, by virtue of his personal and professional prestige, he could be expected to exercise. Like many of his fellow officers he is waiting for tangible demonstrations of the effective strength of the Guatemalan opposition and for more conclusive indications of United States backing. He and other officers of his ilk fail to understand that time is of the essence, if an attempt is to be made to resolve Guatemala's communist problem in a manner leaving the integrity of the Armed Forces unimpaired.